


20. The method of claim 5, wherein the bandwidth securitization instrument is a cryptographically secure computer record.

21. The method of claim 6, wherein said step of assigning a value is performed according to the equation:


$$V = (1 - Pf)(VI + VT + VC),$$

where V represents the value, Pf represents the probability of failure, VI represents the minimum standard price, VT is a value associated with the exercise period and VC represents a convenience premium.

22. The method of claim 6, wherein the bandwidth securitization instrument is a cryptographically secure computer record.--

REMARKS

Claims 1, 2 and 7-15 have been canceled and claims 16-22 have been added. Thus, claims 3-6 and 16-22 are pending in the application. Applicants reserve the right to pursue the subject matter of the original claims in this application and in other applications.

As a preliminary matter, the disclosure is objected to because of various informalities. The specification has been amended as suggested by the Examiner. In particular, the serial number and status of each application cited in the specification have been supplied.

Response to Restriction Requirement

The Examiner requires restriction of the claims under 35 U.S.C. § 121. Applicants hereby affirm, with traverse, the election of Group II, claims 3-6, directed to the creation of bandwidth securitization instruments and trading the security instruments to determine bandwidth allocation, classified in class 705, subclass 37 for continued prosecution in this application.

The election of Group II is made with traverse because a search and examination of the entire patent application can be made without serious burden, and because the election places a burden on the Applicants due to duplication of fees. Nevertheless, to expedite prosecution in this case, claims 1, 2 and 7-15 are withdrawn from consideration.

The Claims Comply With 35 U.S.C. § 101 and § 112, Second Paragraph

Claims 3 to 6 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claims 3 to 6 are also rejected under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 3 to 6 have been extensively amended and are now in full compliance with § 101 and § 112, second paragraph.

For example, claim 3 as amended is directed to a computerized method of managing a bandwidth securitization instrument, and recites the steps of “dividing a total bandwidth resource,” “representing a first component bandwidth resource unit,” “receiving at a computer system,” and “assigning a value to the bandwidth securitization instrument without human

intervention.” Thus, claim 3 as amended is directed to more than the mere manipulation of abstract ideas.

Similarly, all claims now particularly point out and distinctly claim the subject matter which Applicants regard as the invention. For example, claim 3 has been amended and the phrase “creating a bandwidth securitization instrument” has been replaced with the steps of “dividing a total bandwidth resource into a plurality of component bandwidth resource units” and “representing a first component bandwidth resource unit with the bandwidth securitization instrument.”

The Claims Comply With 35 U.S.C. § 112, First Paragraph

Claims 5 and 6 are rejected under 35 U.S.C. § 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to enable one skilled in the art to make and/or use the invention.

In particular, the Examiner states that the specification does not adequately describe how a convenience premium is computed by the steps recited in claim 5. In view of the Examiner’s comments, claim 5 has been extensively amended and now complies with 35 U.S.C. 112, first paragraph. The Examiner’s attention is respectfully directed to pages 40 to 41 of the specification, which discuss assigning a convenience premium to a bandwidth securitization instrument.

The Examiner also states that the specification does not adequately describe what is meant by “securitization security instrument” or “computing a price of a bandwidth security instrument” and how the computation is done according to the steps recited in claim 6. Claim 6

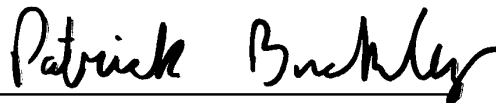
has been extensively amended in response to the Examiner's comments and now complies with 35 U.S.C. 112, first paragraph. The Examiner's attention is respectfully directed to pages 38 to 41 of the specification, which discuss assigning a value to a bandwidth securitization instrument.

Conclusion

In view of the comments and amendments submitted above, the Applicants respectfully assert that the claims clearly and patentably define the invention. Applicants request reconsideration and withdrawal of all outstanding rejections and objections.

The Examiner is invited to contact the undersigned at (202) 775-2896 to discuss any matter concerning this application. The Office is hereby authorized to charge any additional fees or credit any overpayments under 37 C.F.R. § 1.16 or § 1.17 to Deposit Account No. 11-0600.

Respectfully submitted,



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